

**Actions Affecting Major State Tax, License and Fee Estimates
and Estimates of Net Available State General Fund Revenue**

2005 Regular Session

Instrument	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
SESSION ACTIONS - REVENUE							
Corporate Income and Franchise Tax							
Act 401 Reg. Session HB 679	Changes the taxation of various forms of income of business taxpayers. A deduction for interest and dividends is provided, a single factor apportionment formula for manufacturing and merchandising businesses is provided, and the apportionment of gains or losses from sales and exchanges not made in the regular course of business is provided. Effective date provisions for the income and franchise tax changes are provided within the bill. The bill as a whole is effective for all taxable periods beginning after December 31, 2005.			(\$4,800,000)	(\$4,400,000)	(\$3,900,000)	(\$3,500,000)
Act 491 Reg. Session HB 786	Provides income and franchise tax credits for investments in Louisiana Community Development Financial Institutions (LCDFIs). In addition, the LCDFIs themselves are exempt from income and franchise taxes for five consecutive taxable periods. The investment credit is 75% of the investment. These credits are transferable and can be carried forward indefinitely. The total amount of tax credit that can reduce tax revenues in fiscal years 2006 through 2007 is \$5 million. Any unused allocation of credits from a previous year may be carried forward and granted in the next year. The program terminates on July 1, 2007, but provisions relevant to any granted tax credits continue to apply until July 1, 2010. Effective upon governor's signature.		(\$5,000,000)	(\$5,000,000)			
Act 319 Reg. Session SB 34	Provides income and franchise tax credits for purchases of qualified new recycling manufacturing or process equipment, and for contracted services used to implement a DEQ-approved beneficial use program for nonhazardous industrial waste streams.		(\$7,140,000)	(\$7,140,000)	(\$7,140,000)	(\$7,140,000)	(\$7,140,000)
Act 504 Reg. Session SB 351	Provides an income tax credit to public works contractors who offer certain health insurance coverage to their employees. The credit is 5% of 40% of the amount of the contract. The credit is capped at \$3 million per year. Effective for tax years beginning on and after January 1, 2005, but before January 1, 2008.		(\$3,000,000)	(\$3,000,000)	(\$3,000,000)		

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Instrument	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Act 485 Reg. Session HB 631	Provides refundable tax credits for investment in certified sound recording productions and/or capital infrastructure projects. Expenditures of \$15,000 - \$150,000 generates a 10% credit, from \$150,000 - \$1 million a 15% credit, and greater than \$1 million a 20% credit. The aggregate amount of credits that can be granted each calendar year is \$3 million. Applicable to tax years beginning on and after January 1, 2006, but the program expires January 1, 2008. Effective upon governor's signature.			(\$3,000,000)	(\$3,000,000)		
Act 156 Reg. Session SB 322	Provides tax credits for expenditures on voluntary remedial investigations (15%) and remediation action (25%) at state-certified sites. Effective July 1, 2005..		(\$1,000,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)
Act 402 Reg. Session HB 684	Increases the existing tax credit for research & development expenditures from 8% to 20% for firms employing fewer than 500 Louisiana residents. Retains the 8% credit for larger firms. Also increases the existing tax credit for federal Small Business Innovation Research Grants from 8% to 20%. These credits are transferrable. Both tax credit provisions are effective for income tax years beginning in 2005 and franchise tax years beginning in 2006. Sunsets December 31, 2009. Effective upon signature of the governor.		(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
			Only a single year's experience with these credits has occurred (2003). That year indicates that tax credits under this bill's changes could result in over \$23 million of credits.				
Act 439 Reg. Session HB 602	Expands an existing tax credit to \$5 million that any single taxpayer can receive for any number of structures rehabilitated within a particular downtown development district. This was formerly limited to \$250,000 per structure. Structures must be nonresidential or residential rental property. These credits are transferrable. The expiration date of tax periods ending prior to January 1, 2005 is extended to all tax periods ending prior to January 1, 2009. Effective upon governor's signature.					(\$1,400,000)	(\$1,500,000)
Act 326 Reg. Session SB 104	Allows employers in medical industries serving rural hospitals to participate in the Quality Jobs Program (5% - 6% payroll subsidies for job growth). State revenue losses are largely dependent on interpretation and implementation of the bill. Effective upon signature of the governor.		(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Act 285 Reg. Session SB 61	Provides a two-year \$200 tax credit per employee hired who has been convicted of a nonviolent offense. Expands the existing credit that was limited to first-time drug offenders under the age of 25. Effective for tax years beginning on and after January 1, 2005.		(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)

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Act 339 Reg. Session SB 246	Doubles to \$5,000 the existing one-time \$2,500 per employee tax credit available to participants of the Enterprise Zone Program, but only for employers in the tire manufacturing industry as defined by the North American Industry Classification System (NAICS) code 326211. Effective upon governor's signature but sunsets on June 30, 2012.		(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Act 403 Reg. Session HB 795	Expands the Tax Equalization Program by allowing existing manufacturing industries, headquarters, and warehousing and distribution establishments contemplating relocating outside of the state to be eligible for the program's 10-year tax exemptions. Targets certain firms already participating for additional 10-year exemption contracts Expands the Industry Assistance Program by providing that investments in and modernization of facilities may be one of the qualifications for a tax reduction contract. Removes the limitation to manufacturing establishments, and expands the program to include all businesses listed as Vision 2020 businesses.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
			Significantly expands the potential applicability of these subsidies.				
Act 388 Reg. Session HB 765	Extends the sunset date for the one-time \$5,000 tax credit provided for each job in the motor vehicle parts manufacturing industry (as part of the enterprise zone program). The tax credit for most participants of the program is \$2,500 per job. The credit for this industry is doubled. This additional increment of credit will now expire on June 30, 2009.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 424 Reg. Session HB 356	Extends the expiration date of the existing program that grants income and franchise tax credits for investments in Community Development Entities, and deletes two limitations on qualified investments. The current program expires August 31, 2006. This bill allows tax credits for qualified equity investments made through August 31, 2013. Deletion of investment limitations may make it easier for capital to qualify for the program and for tax credits to be generated. Aggregate tax credits for all taxpayers are capped at \$5 million per year. Effective upon signature of the governor.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE

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Act 466 Reg. Session HB 862	Requires the Department of Economic Development (DED) to designate approximately 25% of the U.S. census divisions in the state as urban revitalization zones. The zones are limited to parishes with populations in excess of 75,000 persons (16 largest parishes). DED may contract for up to ten years with businesses in the zones for exemption from all or a portion of income and franchise taxes. DED may also contract for tax credits of \$5,000 per new employee, with a two year carryforward. These credits are refundable. The tax reductions provided by this bill are in lieu of any tax reductions under the current Enterprise Zone Program. Businesses must meet requirements similar to the enterprise zone program, and local governments must also meet certain requirements to participate. City and parish governing authorities may issue revenue bonds and use the proceeds to make loans to any new or expanding business or industry in a zone. Effective July 1, 2005.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 405 Reg. Session SB 73	Provides retroactive application of a tax credit up to \$1,000 for donations to assist qualified playgrounds. Amended returns must be filed by December 31, 2008. Effective upon signature of the governor.		MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	
Act 396 Reg. Session HB 888	Current law imposes the corporate income tax on real estate investment trusts (REIT), but only on that portion of net income which is subject to the federal income tax. This bill retains current law but requires certain tests in order for the REIT to be allowed a deduction for dividends paid to its owners. In order to be allowed the deduction it must be a publicly traded REIT or be one where less than 50% ownership is by a single entity that is a corporation subject to federal income tax and is not a REIT itself. Effective for tax periods beginning after December 31, 2005. The bill is in response to potentially abusive use of the REIT business structure to avoid taxation. This bill may preclude extensive use of this structure for tax avoidance purposes.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Gasoline and Special Fuels Tax							
Act 252 Reg. Session HB 599	Moves the collection of motor fuels taxes to the terminal racks rather from the first handler of the fuel in the state. Also changes the discounts available for timely remittance of the tax. Effective July 1, 2006. Estimated revenue gains based on the minimum reported by other states from reduced tax evasion.			\$9,000,000 Gasoline	\$9,000,000 Gasoline	\$9,000,000 Gasoline	\$9,000,000 Gasoline
				\$6,000,000 Special Fuels	\$6,000,000 Special Fuels	\$6,000,000 Special Fuels	\$6,000,000 Special Fuels

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Instrument	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Act 375 Reg. Session HB 634	Increases the tax refund, for contract drivers of all privately owned school buses transporting Louisiana students, from one-half to three-quarters of the gasoline and special fuels taxes paid. This is a loss to the Transportation Trust Fund. Effective July 1, 2005.		(\$160,000) Special Fuels	(\$160,000) Special Fuels	(\$160,000) Special Fuels	(\$160,000) Special Fuels	(\$160,000) Special Fuels
Personal Income Tax							
Act 456 Reg. Session HB 731	The bill makes a variety of changes to the motion picture tax credit program. The expiration of the sales tax exemption is accelerated by one year to January 1, 2006 from the currently scheduled expiration date of January 1, 2007. The separate credit for employment of Louisiana residents is combined with the investor credit provisions and is made explicitly transferable. Expenditures on approved infrastructure projects from July 1, 2005 to January 1, 2008 are eligible for a 15% investor credit. All certified productions after January 1, 2006 are eligible for a 25% investor credit. This credit declines to 20% on July 1, 2010 and then to 15% on July 1, 2012. Payroll of Louisiana residents is eligible for an additional 10% credit. Expenditures eligible for the investor credit are purchases of goods and services from Louisiana suppliers, and payroll sourced or apportioned to Louisiana. Tax credits can be redeemed directly from the state for 72% of face value. This rate increases by two percentage points every second year until it reaches 80%, beginning January 1, 2009. Effective for tax years beginning after December 31, 2005 but not for projects initially certified prior to that date.			\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Act 495 Reg. Session SB 59	Modifies an existing tax credit for child care expenses. For taxpayers with \$25,000 or less income, the state credit will be based on a federal child-care credit before adjustment by the amount of federal income tax. This effectively expands the existing credit because the federal credit is not refundable while, for these low-income tax payers, the state credit is refundable. Taxpayers receive 25% of the federal credit on returns filed for tax year 2006 and 50% in all subsequent periods. Effective upon governor's signature.			(\$2,400,000)	(\$7,600,000)	(\$7,600,000)	(\$7,600,000)
Act 400 Reg. Session HB 627	Provides a tax credit against income or franchise tax liabilities for eligible investments in defined entrepreneurial businesses. Tax credits are 50% of the investments, divided evenly over five years. Credits can be carried forward for ten years and expire in the eleventh year. The total tax credits granted each year shall not exceed \$5 million. Total credits that can be issued are \$25 million. Effective for tax periods beginning on or after January 1, 2005, but credits earned on or before December 31, 2005, shall be allowed against income tax for the following tax period (the 2006 income tax period, due in 2007). Null and void on December 31, 2009.			(\$1,000,000)	(\$2,000,000)	(\$3,000,000)	(\$4,000,000)

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Act 346 Reg. Session SB 341	Provides tax credits (20%, 15%, and 10%) for expenditures by state-certified digital interactive media productions or component parts of such productions. The tax credits can be transferred or sold. Effective upon governor's signature but sunsets on January 1, 2010.		(\$1,000,000)	(\$2,000,000)	(\$3,000,000)	(\$4,000,000)	(\$5,000,000)
			State tax loss exposure from this credit is unlimited.				
Reg. Session HCR 134 SCR 62	Directs the Department of Revenue to accept amended income tax returns and to make appropriate refunds to couples filing joint returns and who were both 65 years of age or older, where only one spouse had retirement income. Amended returns for tax year 2002 are to be accepted during calendar year 2006. Amended returns for tax year 2003 are to be accepted during calendar year 2007. Amended returns for tax year 2004 are to be accepted during calendar year 2008. Taxpayers are to be clearly notified of the availability of these refunds in the tax return instructions for the 2005, 2006, and 2007 tax years. Should the Department of Revenue comply with these resolutions: Depicted to right is refund exposure for prior years. If current tax implementation is reversed for subsequent tax periods, beginning with the 2005 tax period, and additional \$2.1 million per year would be lost beginning in FY06.		(\$46,000)	(\$1,096,000)	(\$2,100,000)	(\$1,050,000)	
Act 479 Reg. Session HB 420	A refundable individual income tax credit for rehabilitation of owner-occupied historical structures. Credits are to be no more than 25% of the eligible costs and expenses and are limited to \$25,000 per structure. The percent of the credit allowed is based on the gross income of the owner occupant. Credits must be taken in five equal portions to be applied against the tax for the five-year period beginning in the taxable period in which the rehabilitated structure is first placed in service. The maximum amount of credits granted in any year may not exceed \$1 million. Effective for taxable years beginning after December 31, 2005 and before December 31, 2009.			(\$200,000)	(\$400,000)	(\$600,000)	(\$800,000)
Act 277 Reg. Session SB 26	Income tax credit up to \$10,000 for certain expnseses related to living organ donation. Effective July 1, 2005 for taxable years beginning on or after January 1, 2005.		(\$124,000)	(\$248,000)	(\$372,000)	(\$496,000)	(\$620,000)
Act 292 Reg. Session SB 129	Doubles the income tax deduction deduction available to low-income participants in the START program (a state-subsidized college tuition savings program). Also excludes gifted contributions from the state gift tax. Effective for taxable years beginning on or after January 1, 2005.		(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)

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Sales Tax - General							
Act 357 Reg. Session HB 212	Extends through June 30,2009, an exclusion from state and local sales and use tax on purchases and leases of educational materials and equipment used for classroom instruction by nonpublic schools, and on tangible personal property sold by these schools if the money is used solely to support the school or its program or curricula.		(\$582,000)	(\$582,000)	(\$582,000)	(\$582,000)	
Act 397 Reg. Session HB 78	State and local sales & use tax exemption on the sale or lease of rail rolling stock used in either intrastate or interstate commerce. State sales & use tax exemption for parts or services used in the fabrication, modification, or repair of rail rolling stock for use in both intrastate and interstate commerce. Allows local entities to exempt their sales & use tax on parts or services used in fabrication, modification, or repair of rail rolling stock used in interstate commerce. Effective upon governor's signature.		(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Act 471 Reg. Session HB 128	Expands the existing phaseout of sales & use tax on machinery & equipment to include persons whose principal activity is manufacturing but who are not required to register with the Louisiana Department of Labor (LDOL) for purposes of unemployment insurance, but who would be assigned a NAICS code within Sector 11, Sectors 31-33, as they existed in 2002, if they were required to register with the LDOL for purposes of unemployment insurance. This component of the bill adds some small amount of tax loss to the existing phaseout. Also expands phaseout to include cogeneration and electrical generating machinery & equipment. This component of the bill adds materially to the tax loss of the existing phaseout. At full phaseout in FY11, additional tax losses are estimated at \$876,000. Effective upon governor's signature.		(\$137,000)	(\$262,000)	(\$420,000)	(\$550,000)	(\$690,000)
Act 393 Reg. Session HB 832	Sales and use tax exclusion for purchases by nonprofit entities that sell donated goods and spend 75% or more of revenues on directly employing or training persons with disabilities or workplace disadvantages. Effective July 1, 2005		(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
Act 243 Reg. Session HB 513	Removes the restriction that the FCC mandate digital radio conversion before radio broadcasters are eligible for a sales & use tax exclusion on such equipment. Enables taxpayers holding FCC radio broadcast licenses under 47 CFR Part 73 to make first purchases of digital radio conversion equipment without paying state sales and use tax. Effective upon governor's signature.		(\$190,000)	(\$194,000)	(\$198,000)	(\$202,000)	(\$206,000)
Act 391 Reg. Session HB 807	Exempt the Zephyr's Triple A professional baseball franchise, located in Jefferson Parish, from all state and local taxes for certain sales and activities at that site. Effective August 1, 2005.		(\$41,000)	(\$124,000)	(\$124,000)	(\$124,000)	(\$124,000)

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Act 457 Reg. Session HB 741	State and local sales and use tax exclusion for purchases textbooks and course-related software by certain private postsecondary academic degree-granting institutions. Language of the bill implies a particular firm is targeted for this sales tax benefit. Effective upon governor's signature.		(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)
Act 293 Reg. Session SB 131	State and local sales and use tax exclusion for purchases of toys ny nonprofit organizations that donate the toys to minors. Effective July 1, 2005.		(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
Act 278 Reg. Session SB 27	State and local sales and use tax exemption for certain qualifying sickle cell disease organizations. Effective upon governor's signature.		(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Act 364 Reg. Session HB 304	State sales tax exclusion for purchases of natural gas to be held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. Audit and dispute process suggests \$700,000 per year of tax receipts precluded by this bill, although it is not clear if a material amount of these dollars have been part of the actual historical collections base. Effective upon governor's signature.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 458 Reg. Session HB 747	Ties the sales price for refinery gas sold to a third party to the cost price for refinery gas that is used for use tax purposes. The cost price is determined by a statutory formula that, based on current valuations, results in an 87% decrease in the taxable value of refinery gas sold to a third party. Effective upon governor's signature.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 345 Reg. Session SB 337	Immediate state sales tax exclusion for purchase or lease of machinery and equipment used to manufacture unblended biodiesel fuel. Also excludes sales of alternative substance fuels to manufacturers. Effective July 1, 2005..		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 443 Reg. Session HB 655	Provides a two-year extension of the current two-year time period allowed for construction projects qualifying for enterprise zone program benefits to complete. Also allows public higher education jobs to qualify a nonprofit organization, established for public higher education construction purposes, for program benefits. Effective upon governor's signature.		MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE
Act 410 Reg. Session HB 90	State and local sales & use exemption for specialty items sold to members, for fund-raising purposes, by nonprofit carnival organizations.		MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE
Act 377 Reg. Session HB 639	Excludes from state and local sales, use, and hotel occupancy taxes camps and retreat facilities owned and operated by nonprofit organizations exempt from federal income taxation. Effective upon governor's signature.		MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE	MINIMAL DECREASE

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Severance Tax							
Act 492 Reg. Session HB 835	Extends the application period for severance tax exemption on re-entry of inactive wells, from June 30, 2006 to June 30, 2010. Once certified, all production would be exempt from severance tax for 5 years (currently only a 2 year exemption). The period of exemption is to be extended for any periods of inactivity caused by a force majeure. Applies to any certification granted on or after January 1, 2005. Effective upon governor's signature. Current oil & gas price outlook applies these revenue losses largely to the Budget Stabilization Fund. Changes in that outlook could apply these losses to the state general fund.			(\$5,000,000)	(\$7,200,000)	(\$7,100,000)	(\$6,800,000)
Excise License Tax							
Act 294 Reg. Session SB 137	Exempts interlocal risk management agencies of local housing authorities from payment of excise license tax on purchases of excess insurance.		(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)
Bond Reimbursements							
Act 453 Reg. Session HB 715	Forgives the debt owed to the state by the Sabine River Authority for general obligation bonds issued on behalf of the authority. Total debt outstanding is \$8.6 million. Effective July 1, 2008.					(\$500,000)	(\$500,000)
Act 118 Reg. Session SB 249	Forgives the debt owed to the state by the Chennault International Airport Authority for general obligation bonds issued on behalf of the authority in exchange for the transfer of certain designated property from the Authority to the Board of Supervisors of the LA Community and Technical Colleges for the use of the Sowela Campus. Total debt outstanding is \$2.3 million.		(\$342,900)	(\$346,200)	(\$348,600)	(\$350,100)	(\$340,700)
Healthcare Provider Tax							
Act 182 Reg. Session HB 887	Levies a tax of 1.5% on net patient revenue of certain general acute care hospitals. Receipts are deposited to the Louisiana Healthcare Affordability Trust Fund. Effective upon governor's signature but expires on June 30, 2009.		\$87,000,000	\$87,000,000	\$87,000,000	\$87,000,000	\$87,000,000

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Video Draw Poker Device Fund							
Act 61 Reg. Session HB 453	Authorizes a processing fee for stock or membership sales or transfers of 50% or more of a licensed corporation or limited liability company. Also authorizes additional application fees and civil penalties.		\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
Total Adjustments To Major State Tax, License And Fee Estimates		\$0	\$65,705,100	\$70,715,800	\$65,223,400	\$68,513,900	\$68,287,300
SESSION ACTIONS - DEDICATIONS							
Unclaimed Property							
Act 256 Reg. Session HB 654	Dedicates up to \$15 million per year of unclaimed property receipts to the new "Unclaimed Property Leverage Fund" for payment of bonds issued to complete construction of Interstate 49. Proceeds in the fund shall be used to match federal funds with 50% of the proceeds used for construction of I-49 north and 50% for I-49 south. Effective upon governor's signature.			\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Transportation Trust Fund							
Act 252 Reg. Session HB 599	Moves the collection of motor fuels taxes to the terminal racks rather from the first handler of the fuel in the state. Also changes the discounts available for timely remittance of the tax. Effective July 1, 2006.			\$9,000,000 Gasoline	\$9,000,000 Gasoline	\$9,000,000 Gasoline	\$9,000,000 Gasoline
	Estimated revenue gains based on the minimum reported by other states from reduced tax evasion.			\$6,000,000 Special Fuels	\$6,000,000 Special Fuels	\$6,000,000 Special Fuels	\$6,000,000 Special Fuels
Act 375 Reg. Session HB 634	Increases the tax refund, for contract drivers of all privately owned school buses transporting Louisiana students, from one-half to three-quarters of the gasoline and special fuels taxes paid. This is a loss to the Transportation Trust Fund. Effective July 1, 2005.		(\$160,000) Special Fuels	(\$160,000) Special Fuels	(\$160,000) Special Fuels	(\$160,000) Special Fuels	(\$160,000) Special Fuels
Rapid Response Fund							
Act 398 Reg. Session HB 460	At the beginning of each fiscal year, starting July 1, 2005, the treasurer is to deposit into the newly created Rapid Response Fund an amount sufficient to bring the unencumbered balance in the fund to \$10 million. Monies in the fund are to be used for the immediate funding of economic development projects which may be necessary to secure the creation or retention of jobs. Effective upon signature of the governor.		\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000

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Budget Stabilization Fund							
Act 492 Reg. Session HB 835	<p>Extends the application period for severance tax exemption on re-entry of inactive wells, from June 30, 2006 to June 30, 2010. Once certified, all production would be exempt from severance tax for 5 years (currently only a 2 year exemption). The period of exemption is to be extended for any periods of inactivity caused by a force majeure. Applies to any certification granted on or after January 1, 2005. Effective upon governor's signature.</p> <p>Current oil & gas price outlook applies these revenue losses largely to the Budget Stabilization Fund. Changes in that outlook could apply these losses to the state general fund.</p>			(\$5,000,000)	(\$7,200,000)	(\$7,100,000)	(\$6,800,000)
Tourism Promotion District							
Act 464 Reg. Session HB 840	Phases in an increase in the current \$17.5 million state sales tax dedication to the Tourism Promotion District as follows: up to \$17.9 million in FY06, up to \$18.3 million in FY07, up to \$18.7 million in FY08, up to \$19.1 million in FY09, and up to \$19.5 million in FY10 and thereafter. The amounts transferred to the Department of Culture, Recreation and Tourism shall not exceed the actual proceeds of the tax. Up to 10% of these funds can be used for in-state media advertisement (none can be used for this under current law). Effective July 1, 2005.		\$400,000	\$800,000	\$1,200,000	\$1,600,000	\$2,000,000
LA Healthcare Affordability Trust Fund							
Act 182 Reg. Session HB 887	Levies a tax of 1.5% on net patient revenue of certain general acute care hospitals. Receipts are deposited to the Louisiana Healthcare Affordability Trust Fund. Effective upon governor's signature but expires on June 30, 2009.		\$87,000,000	\$87,000,000	\$87,000,000	\$87,000,000	\$87,000,000
Compulsive and Problem Gaming fund							
Act 475 Reg. Session HB 268	Allocates 1% of the the slot machine gaming proceeds, up to a maximum of \$500,000 per year, to the Compulsive and Problem Gaming Fund. Effective July 1, 2005.		\$459,000	\$459,000	\$459,000	\$459,000	\$459,000

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Department of Justice Legal Support Fund							
Act 420 Reg. Session HB 224	Increases the balance cap in the Legal Support Fund from \$500,000 to \$1,000,000. The fund receives monies recovered by the attorney general on behalf of the state. An annual allocation is required to be made to the fund to bring its balance to the cap. The Department of Justice shall use the monies for expert witnesses, consultants, contract legal counsel, technology, specialized employee training and education, and public education initiatives. Effective July 1, 2006.			\$500,000	\$500,000	\$500,000	\$500,000
Video Draw Poker Device Fund							
Act 61 Reg. Session HB 453	Authorizes a processing fee for stock or membership sales or transfers of 50% or more of a licensed corporation or limited liability company. Also authorizes additional application fees and civil penalties.		\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
Adjustments To Dedications of Major State Tax, License, and Fee Estimates		\$0	\$97,879,000	\$123,779,000	\$121,979,000	\$122,479,000	\$123,179,000
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$0	(\$32,173,900)	(\$53,063,200)	(\$56,755,600)	(\$53,965,100)	(\$54,891,700)
OTHER ITEMS OF INTEREST							
Slot Machine Gaming At The New Orleans Fairgrounds							
Act 430 Reg. Session HB 393	<p>Dedicates the state proceeds, after allocation to the Orleans Parish Excellence Fund and enforcement, from the slot facility in Orleans Parish to the following purposes: (a) 30% (up to \$1.3 million) to the Beautification and Improvement of the New Orleans City Park Fund, (b) 20% (up to \$350,000) to the Greater New Orleans Sports Foundation Fund, (c) 20% (up to \$100,000) to the newly created Algiers Economic Development Foundation Fund, (d) 20% (up to \$100,000) to the newly created New Orleans Urban Tourism and Hospitality Training in Economic Development Foundation Fund, (e) 5% (up to \$100,000) to the newly created Beautification Project for New Orleans Neighborhoods Fund, (f) 5% (up to \$100,000) to the newly created Friends of NORD (New Orleans Recreation Department) and, (g) the balance to the newly created New Orleans Sports Franchise Assistance Fund to fund any NFL or NBA contractual obligations in Orleans Parish. Effective July 1, 2005.</p> <p>Enumerated maximum amounts total \$2.050 million with the balance allocated to NFL or NBA obligations. The Orleans Parish facility has not begun operations and no proceeds from that facility have yet been included in the official revenue estimate.</p>				Bill deals with dedicating revenue from New Orleans Fairgrounds slot machines. These devices are not yet operating and have not been incorporated into the revenue estimate. These dedications and the revenue to support them will be added once the devices are operational.		

**Actions Affecting Major State Tax, License and Fee Estimates
and Estimates of Net Available State General Fund Revenue**

2005 Regular Session

Instrument	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Royalty Relief Dry Hole Credit Program							
Act 298 Reg. Session SB 182	Authorizes DNR to establish a program providing credit against state royalties for dry hole wells. Credits are applied against producing wells drilled subsequent to the dry hole. The dry hole well must be drilled and the production from the subsequent producing well must be from a true vertical depth of 20,000 feet or more, and the wells must be located in the state's coastal zone. The credit amount is the lesser of 5 billion cubic feet of gas or 50% of the cost of the well, prorated over a 36 - 60 month period. A total of 20 wells can be certified into the program up to June 30, 2009. All credits expire on June 30, 2013.				The program was assessed as not having an impact on the existing state revenue baseline because no 20,000 foot deep wells have been drilled in the coastal zone since 2000. In addition, royalty relief does not occur until a producing well is drilled subsequent to a dry hole, both are in the coastal zone, and production is from 20,000 feet or deeper. The program's requirements make it unreasonable to consider its relief provisions as reducing the existing expected revenue baseline.		
Telephone Company Property Assessment Relief Fund							
Act 266 Reg. Session HB 805	Requires the Department of Revenue to determine the amount of sales tax avails from interstate telecommunications services that should be deposited to the existing Telephone Company Property Assessment Relief Fund, to finance the tax credits available to certain firms. The department is to use industry data (published by the Federal Communications Commission) available at the time the fund was originally created. The determination is to be promulgated by rule by March 1, 2006, and be effective for tax periods starting on or after July 1, 2006. Effective July 1, 2005.				The existing relief provisions are not allocating enough sales tax collections to the Relief Fund to fully finance the amount of tax credit claims. This bill requires the Department to determine the appropriate amount of allocation to make to the Relief Fund. It is likely that the Relief Fund will have to be allocated tax revenue currently flowing to the state general fund in addition to allocation it is currently receiving. That additional allocation might be as much as \$20 million - \$25 million per year.		